Are You Ready for an International Program?

Brian Schultz

1. REPORT DATE **AUG 2013**	2. REPORT TYPE	3. DATES COVERED **00-00-2013 to 00-00-2013**
4. TITLE AND SUBTITLE **Are You Ready for an International Program?**		5a. CONTRACT NUMBER
		5b. GRANT NUMBER
		5c. PROGRAM ELEMENT NUMBER
6. AUTHOR(S)		5d. PROJECT NUMBER
		5e. TASK NUMBER
		5f. WORK UNIT NUMBER
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) **Defense Acquisition University,Defense AT&L,9820 Belvoir Road,Fort Belvoir,VA,22060-5565**		8. PERFORMING ORGANIZATION REPORT NUMBER
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)		10. SPONSOR/MONITOR'S ACRONYM(S)
		11. SPONSOR/MONITOR'S REPORT NUMBER(S)
12. DISTRIBUTION/AVAILABILITY STATEMENT **Approved for public release; distribution unlimited**		
13. SUPPLEMENTARY NOTES		
14. ABSTRACT		
15. SUBJECT TERMS		

16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT **Same as Report (SAR)**	18. NUMBER OF PAGES **5**	19a. NAME OF RESPONSIBLE PERSON
a. REPORT **unclassified**	b. ABSTRACT **unclassified**	c. THIS PAGE **unclassified**			

Standard Form 298 (Rev. 8-98)
Prescribed by ANSI Std Z39-18

There are no words to express the abyss between isolation and having one ally. It may be conceded to the mathematician that four is twice two. But two is not twice one; two is two thousand times one.

—G.K. Chesterton

n today's dynamic acquisition environment, one could argue that every acquisition program is an international program. Our systems typically deploy overseas, our supply chain relies on parts from around the globe, our technology and security plans must consider international involvement, and our people work and operate within international organizations and coalitions.

Given this premise, an appropriate question for Department of Defense (DoD) program managers (PMs) is not whether we should pursue an international program but, rather, are the PM and program office prepared to manage it effectively?

Schultz *is a professor of program management at the Defense Acquisition University's Mid-Atlantic Region, California, Md.*

International involvement and cooperation in our acquisition programs offer many benefits, but there also are several pitfalls that should be avoided. The *Defense AT&L* September–October 2011 edition featured an article, "International Programs Contribute to Affordability." This article provides a reference for understanding the mandates for international cooperation and how we can leverage the benefits of international programs. It also describes support that is available, including training and international support organizations within the DoD.

The focus of this article is a discussion of three broad areas that often present unique issues to PMs managing international programs: (A) Cross-Cultural Acumen; (B) Managing Expectations; and (C) Robust Security and Technology Transfer Planning. These challenges may not always be at the forefront in a U.S.-only program, but they can become significant issues in an international arena.

Cross-Cultural Acumen

Cross-Cultural Acumen is vital to most international programs because, if we don't account for cultural differences, it will be difficult to establish the trust and credibility needed for such an effort. We will define this term as the ability to understand and effectively engage with people from cultures different than our own. This has been a big emphasis for the operational warfighting community, given the lessons learned from the conflicts in Iraq and Afghanistan. The nature of asymmetrical operations has transformed the doctrine of our warfighters in addressing these threats. While the operational community has established significant cultural and language resources to assist users in preparing for and in executing their worldwide missions, cultural challenges will continue to be important for the foreseeable future. Consider the following statement from retired MG Robert H. Scales Jr. in testimony before the Senate Armed Services Committee (SASC) on April 25, 2007:

> So far, we have spent billions to gain a few additional meters of precision, knots of speed, or bits of bandwidth. Now we must commit resources to improve how the military thinks and acts in an effort to create a parallel transformational universe based on cognition and cultural awareness.

This ability to work through cultural issues also is important in international acquisition. It's important for us to remember that our international partners most likely come from cultures different than ours. They may not understand our processes, regulations, policies, and laws that often constrain what we are able to do. Likewise, we often don't understand some of the national constraints they have. This means that, though we initially might assume that others will view program issues and content as we do, this is not necessarily true. This difference in our program "lens" has significant implications not only in how we interact with our partners but also in how it affects the content of acquisition products.

A good example is the design of an operator training program for a Middle Eastern country's air force. Our model for training U.S. Air Force operators would involve a course that has a sequence based on our cultural learning. It typically would be very structured and follow a linear sequence of instruction with little or no time allocated for building personal relationships. On the other hand, a Middle Eastern country's preferred sequence of learning may involve a more circular model based on how its culture interacts and learns in a group setting. The time for relationship building should come before any serious business is conducted. If these differences are not addressed, how effective would you expect our typical training course to be when delivered to these allies? I observed a pretty large program that essentially was stopped for a few years due to cultural ignorance that eroded trust. Regaining this trust and credibility is not easy.

One practice I found helpful was a formal program stakeholder analysis. This effort can provide great insights into what interests the key partner stakeholders and what drives them. Don't assume that the new foreign professionals will have the same interests and motivations as their predecessors. Getting to know these foreign partners and understanding their processes, needs, and priorities are crucial in getting win-win outcomes. A valuable resource you can tap is the in-country Security Cooperation Office that often works very closely with host nation officials and their staffs. The country desk officer at the Defense Security Cooperation Agency or your Service International Program Office also is a great place to start if you are dealing with a new partner.

Like the operational community, our international acquisition teams should be trained and equipped for cultural skills relevant for their program. There are many resources within the DoD that teams can leverage to help with cross-cultural acumen. These resources include courses, research papers, briefings, subject matter experts, and other tools that are often readily available. An Air Force website (http://www.au.af.mil/culture/usgov.htm) includes links to DoD sites as well as other federal agency sites that address language and culture resources.

Years ago I attended the Cross Cultural Communications Course at the Air Force Special Operations School at Hurlburt Field, Fla., and found it to be a valuable tool in helping me prepare for international interactions. In hindsight, it would have been great to get some cultural training like this course as part of the new-hire orientation. Later, our program office instituted a mandatory "in-house" orientation for new staff that included some basic cultural awareness topics. It helped us avoid many previous bumps in the road, some of which were significant.

Managing Expectations

Managing the expectations of key stakeholders is important in any acquisition but arguably even more important for international efforts. It helps to foster teamwork, achieve stakeholder buy-in, and avoid surprises that can erode credibility and customer relationships. One tool commonly used is an Expectation Management Agreement (EMA). My experience

in the Air Force suggested that programs lacking these agreements often had customers who were not happy with outcomes, even though the outcomes were exactly what we had planned to achieve. For example, a previous international customer of Electronic Systems Center (ESC) expected a radar to have much greater coverage volume than was possible, given the site installation and mountainous terrain. The customer was not pleased with the test results, even though the radar exceeded its performance specifications.

In hindsight, this issue could have been addressed much earlier by using computer models and discussions on expected performance in the field, making sure the customer knew what was planned, based on site and radar performance constraints. Avoiding this kind of disconnect is a lot easier if the key parties to the acquisition clearly understand what will be provided and when.

Given that most international programs span several years, establishing an EMA for each fiscal year will help ensure that the international team understands what key deliverables are planned in the near future. This also is important for those activities where the allies' help is required, often crucial to site preparation and deployed test activities in-country.

The EMA we used several years ago while at ESC was an Execution Plan (also known as "X-Plan"). The X-Plan was a very concise document that outlined the key deliverables for that fiscal year. It also included funding, on-time schedule delivery dates for each deliverable, and stretch-goal dates that the team would pursue, as appropriate. Finally, it also addressed risks and risk management efforts that would be managed to help ensure the deliveries were achieved and met the user requirements. The X-Plan was used as the basis for status updates to both our allied partners and our Air Force chain.

Some may question why we needed an EMA with our international partners since we also had an approved Letter of Offer and Acceptance (LOA) or an International Agreement (IA). The answer is that LOAs and IAs are very broad and don't typically include many details, other than a program or project period of performance. Providing our partners greater insight on what will occur in the near-term keeps them better informed and helps them better manage their part of the program.

Another tool we used to manage expectations of allied partners for participation in future upgrades was the Common Needs Analysis (CNA). The CNA process was developed by our team in response to questions from and interest expressed by our partners in what future capabilities are being developed by the Air Force and what opportunities exist for participation. As part of the CNA, we developed a tool that indicated the future plans and priorities of each participating nation and highlighted areas where there was potential alignment. Once those opportunities were identified, teams could meet to see if there was enough alignment of requirements, funding, and schedules to pursue a cooperative or collaborative effort (including potential foreign military sales efforts). This process not only helped identify potential cooperative and collaborative opportunities but also facilitated better disclosure and technology transfer planning.

Rough Order of Magnitude (ROM) cost estimates are another area where we often encounter problems. The international partner will require some sort of ROM or budgetary estimate to obtain their national approval for the program. They often will ask the program office to provide the ROM with some basic assumptions on timeframe of the procurement, quantities, and capability required. The program office may get an estimate from the contractor. U.S. government costs are then added in, and the ROM is provided. So what's the problem?

Unfortunately, when we go to execute the program, the actual budget required often is higher than the ROM we provided. This situation can make life very difficult for our partner, especially if the cost difference is significant and the allied PM must go back and ask the national parliament or other authority for more money. It also damages our credibility and can hurt the relationship with the country if this is not managed well. Note that even though we may include several caveats to the ROM, the foreign partner can forget quickly and may believe this ROM number is locked in as a Not to Exceed (NTE) budget for the program.

So, given this dilemma and the potential consequences, perhaps we should treat these ROMs as NTEs. This means we may need to adjust our estimate so we have a high degree of confidence in executing within the original ROM. Another good practice is to lay out the minimum elements of information necessary to provide a ROM rather than make assumptions about what the partner nation needs. This back-and-forth

dialogue may take additional time up front in the planning process but is well worthwhile, based on my experience. It is not a good option to have to delete scope and capability in order to stay within a budget that was based on a "loose" ROM. It's also a good idea to remind the contractor that we expect to execute to the ROM or less, but not higher.

Robust Security and Technology Transfer Planning

Planning for and executing an international program can be a challenging endeavor. It will be even more challenging if the program office does not adequately plan for the security and technology control considerations that govern these programs. While each Service has some unique procedures in reviewing and approving security and technology transfer issues, the processes address the same issues and considerations. These issues include but are not limited to questions such as:

• Does the program have a current security classification guide? If not, is the security manager engaged and working it as a priority?
• What is the Critical Program Information (CPI) for this program, and how will we protect it?
• What is the feasibility of international participation, and who are the likely players?
• What kinds of technology transfers/disclosures are envisioned, and what is the timing? Who needs to approve the releases and when?
• What Controlled Unclassified Information (CUI) is associated with this program? Have we established procedures to protect the CUI?
• Is the cognizant Foreign Disclosure Office aware of our planning/actions, and is it engaged in developing a Delegation of Disclosure Authority Letter to enable timely release decisions?

Generally, security issues should be given priority since the types of information involved in an acquisition program will drive subsequent decision paths and program planning. For example, if your program involves classified data, this will drive decisions on participation and required protections. The CPI must be identified early so the appropriate controls are established to protect the CPI. Documents such as the security classification guide, program protection plan, and technology assessment/control plan should be developed as soon as practical. Also note that program protection planning is a requirement for all programs, not just international programs.

Some of the recent changes in the acquisition landscape have increased the challenges in security and program protection planning. Consider that we now rely on a global chain comprised of suppliers that provide approximately 60 percent to 70 percent of the system components to the system-level prime contractor. The supply chain threat can be resident several layers down from the prime contractor. Understanding and evaluating your program's supply chain is important and should be part of a vulnerability analysis to identify potential threats and countermeasures.

The expanded use of networks, commercial off-the shelf (COTS), and software-intensive systems creates unique security challenges. Our systems, operations, and infrastructure all rely heavily on networks that process our most sensitive information. Protecting against malicious code and intrusions to our networks continues to be a nagging problem. We have learned and relearned that malicious code easily can be introduced into our systems and networks if we are not vigilant and don't design in the system security in both our system design and processes.

A recent example of an international program that appears to be plagued by security and technology transfer issues is the sale of U.S.-made Javelin anti-tank guided missiles (ATGMs) to India. A *Defense News* article (Oct. 8, 2012) discusses how the proposed $800 million sale may be in jeopardy while the technology transfer has been "lying on the shelf" awaiting government export approval. The article states that while the U.S companies want to make the export sale, U.S. authorities have not cleared the proposal. The security and technology transfer planning either was late to start or not very effective in getting the upfront approvals. It appears that India will look elsewhere from other countries' systems to fulfill this need.

Another recent story in *Defense News* ("Pentagon Stop Work Order Adds to French Aircraft Cost," Sept. 24, 2012) outlines the seriousness of program protection. A Foreign Military Sales (FMS) contractor was directed to stop work on a major system mission computing upgrade because "program protection issues" needed to be resolved before the system could be exported. The cost impacts of this stop-work will be borne by the FMS customer and obviously the cost, schedule, and other program parameters will be impacted. While additional details are not clear as to how or why this occurred, PMs must ensure that their security and technology control plans are vetted and approved by the right authorities, or early or significant impacts like these can occur.

Final Thoughts

International programs offer many benefits to DoD but also have unique aspects and risks that must be addressed. The days are over of separate U.S. and international programs. And issues like culture, managing expectations, and security will affect nearly all our acquisition programs. PMs and their teams must not only consider international participation but the international threats and countermeasures to protect our technology and critical program information. As with nearly everything else in acquisition, PMs are the key players to make it happen. The good news is that PMs can leverage lots of help in this area but should make it a priority and seek the help early in their programs' life cycles.

The author can be contacted at **Brian.Schultz@dau.mil**.